

SENATOR HIGGINS: That is a rarity but go ahead.

SENATOR DECAMP: The next section as amended with the bill now will allow the Banking Department and the banks to deal more flexibly with the real estate that is taken in lieu of foreclosure. I went through that, if you recall before, for example, a certain portion could be counted as part of their capital and they could rent it to a family farmer under the provisions of Initiative 300, they could, if there had to be payments made on the real estate because it was a land contract or something they could make them. In other words, instead of simply putting it on the auction block and getting the lowest amount, they could try to deal in the most effective way to get the best benefit out of that particular property. Then we go to the next provision, it would clarify when and under what circumstances a bank may declare and pay a dividend. Under present law we feel there is a serious question which may have far reaching ramifications for banks with a need to declare a dividend unless this statute is changed. This emanated to a degree out of some of the discoveries of State Securities as we mentioned previously, we don't want potential abuses of the dividends, at the same time you need enough flexibility to make it function so we changed the law there. We clarify when a department employee may borrow from an institution which is subject to the department's jurisdiction. The changes in this section will remove the questions which I think may now exist. Some of those questions involve, for example, the Director of Banking when he had some money borrowed from a state bank, things like this. As I say, I went through these two or three times and I'm sure you are familiar with that. Section 8-108 gives statutory authority to review and to some degree regulate financial institution holding companies. We have that authority now, at least in part, because the Federal Reserve asked us to pass on each application which involves a state charter bank and its holding company.

PRESIDENT: Senator has one minute of her time left.

SENATOR DECAMP: Okay, I'll try to move very quickly. This language then would allow to review holding companies of financial institutions other than commercial banks, which may have been helpful in the State Security, security financial corporation matter you remember there were the